



FIRST QUARTER 2018 MONITORING REPORT
UIC PERMIT R9UIC-AZ3FY11-1
FLORENCE COPPER PROJECT, FLORENCE, ARIZONA

Florence Copper Inc.
1575 W. Hunt Highway
Florence, AZ 85132

April 30, 2018



FLORENCE COPPER INC.

1575 W. Hunt Highway, Florence, Arizona 85132 USA

florencecopper.com

April 30, 2018

Ms. Nancy Rumrill
U.S. Environmental Protection Agency
Region 9, Ground Water Office, WTR-9
75 Hawthorne Street
San Francisco, California 94105-3901

Sent U.S. Certified Mail
70151520000151881562

Subject: First Quarter 2018 Monitoring Report
Underground Injection Control (UIC) Permit Number R9UIC-AZ3FY11-1

Dear Ms. Rumrill:

Florence Copper Inc. is regulated under UIC Permit No. R9UIC-AZ3FY11-1, issued December 20, 2016 for a pilot test facility (PTF). The facility received authorization to proceed with pre-operational activities on September 22, 2017.

We are currently completing installation of the pilot test wellfield in preparation for testing, and ambient-baseline monitoring of the new point-of-compliance (POC) and supplemental wells. This report outlines the reporting requirements in accordance with Part II.G.2. Please note that, as the PTF is under construction and operations have not yet begun, many reporting elements are not yet applicable or required. This document is designed with placeholders for the required elements in preparation for future reporting.

BACKGROUND INFORMATION

The Florence Copper project is an in-situ copper extraction facility subject to three related permits issued by the United States Environmental Protection Agency (USEPA) and the Arizona Department of Environmental Quality (ADEQ).

Sitewide Permits Covering the 1997-98 Pilot Test Facility and Future Operations

- ADEQ APP No. P-101704 (LTF 65804) dated October 13, 2017.
- Former USEPA Underground Injection Control (UIC) No. AZ396000001 dated May 1, 1997 – Replaced by current UIC Permit.

Under the Sitewide permits, an initial pilot test wellfield, a small leachate processing facility, and a double-lined evaporation pond were constructed. The pilot test operated from October 31, 1997 to February 9, 1998. The test area was rinsed until September 1, 2004. Cessation of hydraulic control for testing was approved by both agencies and the wellfield has since remained inactive. Subsequently, no Sitewide permit related activities have taken place.



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Transmittal Cover Sheet

To: Nancy Rumrill U.S. Environmental Protection Agency Region 9, Ground Water Office, WTR-9 75 Hawthorne St. San Francisco, CA 94105-3901	Date: April 30, 2018	Transmittal No.:	
	Project No.: 152044.201	Task No.:	
	Project Title: Florence Copper Project		
From: Barbara Sylvester	Contract No.:		
We are sending the following item(s): <input type="checkbox"/> Shop Drawings <input type="checkbox"/> Prints <input type="checkbox"/> Plans <input type="checkbox"/> Samples <input type="checkbox"/> Change Order <input type="checkbox"/> Specifications <input checked="" type="checkbox"/> Reports		Sent via: <input type="checkbox"/> E-Mail <input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> Fed Ex <input type="checkbox"/> Courier <input type="checkbox"/> UPS <input type="checkbox"/> Hand Carried <input type="checkbox"/> Overnite Express <input type="checkbox"/>	
These are transmitted as checked below: <input type="checkbox"/> For approval <input type="checkbox"/> For review and comment <input type="checkbox"/> Issued for construction <input type="checkbox"/> As requested <input type="checkbox"/> Reviewed as noted <input type="checkbox"/> Issued for bid <input checked="" type="checkbox"/> For your use <input type="checkbox"/> For reference only <input type="checkbox"/>			
If attachments are not as noted, please notify sender at once.			
No. of Copies	Revision Date or No.	Document or Drawing No.	Description
1	4-30-18		Bound copy of 1 st Quarter 2018 Monitoring Report, UIC Permit No. R9UIC-AZ3FY11-1. Florence Copper Project, Florence, AZ
Remarks: Certified Mail Receipt #70151520000151881562			
cc:		Prepared by: Connie Rogers Title: Senior Administrative Coordinator	

The Sitewide facilities and monitoring wells are indicated in blue on Figure 1.

2018-19 Pilot Test Facility

- ADEQ Temporary APP No. P-106360 (LTF 61845) dated August 3, 2016.
- USEPA UIC No. R9UIC-AZ3FY11-1 dated December 20, 2016 – Replaced previous UIC Permit.

The 2016 permits authorize a new pilot test facility with separate monitoring requirements inside the area of the Sitewide permits. Information gathered by the new PTF will be used to modify the UIC for future sitewide activity. The new facilities and monitoring wells are indicated in green on Figure 1.

PTF OPERATIONS QUARTERLY REPORTING

Part II.G.2.a – Map of Operational Status and Groundwater Contours

Figure 1 shows the location of the new PTF and monitoring wells. We are currently completing installation of the pilot test wellfield in preparation for testing, and ambient-baseline monitoring of the new POC and supplemental wells. The PTF operations have not begun, and this reporting requirement does not yet apply. This information, when available, will be provided in figure form in Attachment 1.

Part II.G.2.b – Table and Graphs of Injected and Extracted Volumes

The PTF operations have not begun and this reporting requirement does not yet apply. This information, when available, will be provided in table and graph form in Attachment 2.

Part II.G.2.c – Table and Graphs of the Well Head Measurements in the PTF

The PTF operations have not begun and this reporting requirement does not yet apply. This information, when available, will be provided in table and graph form in Attachment 3.

Part II.G.2.d – Table and Graphs of Electrical Conductivity Measurements

The PTF operations have not begun and this reporting requirement does not yet apply. This information, when available, will be provided in table and graph form in Attachment 4.

Part II.G.2.e – Table and Graphs of Bulk Electrical Conductivity Measurements

The PTF operations have not begun and this reporting requirement does not yet apply. This information, when available, will be provided in table and graph form in Attachment 5.

Part II.G.2.f – Table and Graphs of Monitor Well Water Levels and Results

The POC and Best Available Demonstrated Control Technology (BADCT) monitoring wells are currently undergoing ambient monitoring in order to establish alert levels (ALs) and aquifer quality limits (AQLs), and this reporting requirement does not yet apply. This information, when available, will be provided in table and graph form in Attachment 6.

Part II.G.2.g – Results of Monthly Lixiviant Analysis

The PTF operations have not begun and this reporting requirement does not yet apply. This information, when available, will be provided in Attachment 7.

Part II.G.2.h – Results of Monitoring Required If Injection Fluid is Modified

The PTF operations have not begun and this reporting requirement does not yet apply.

Part II.G.2.i – Results of Mechanical Integrity Testing

Information on mechanical integrity testing (MIT) performed during the quarter is included in table format in Attachment 8.

Part II.G.2.j – Results of ACD Monitoring

The PTF operations have not begun and this reporting requirement does not yet apply. This information, when available, will be provided in Attachment 9.

Part II.G.2.k – Summary of Plugging and Abandonment Activity

Information on plugging and abandonments performed during the quarter is included in table format in Attachment 10.

Part II.G.2.l – Summary of Closure Operations

No closure operations were conducted during the quarter.

Part II.G.2.m – Table of Monthly Casing Annulus and Injection Pressures

The PTF operations have not begun and this reporting requirement does not yet apply. This information, when available, will be provided in Attachment 11.

Ms. Nancy Rumrill

April 30, 2018

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Please let us know if you require any further documentation. Please call me at (520) 374-3984 Ext. 3710 should you have any questions or concerns.

Sincerely,

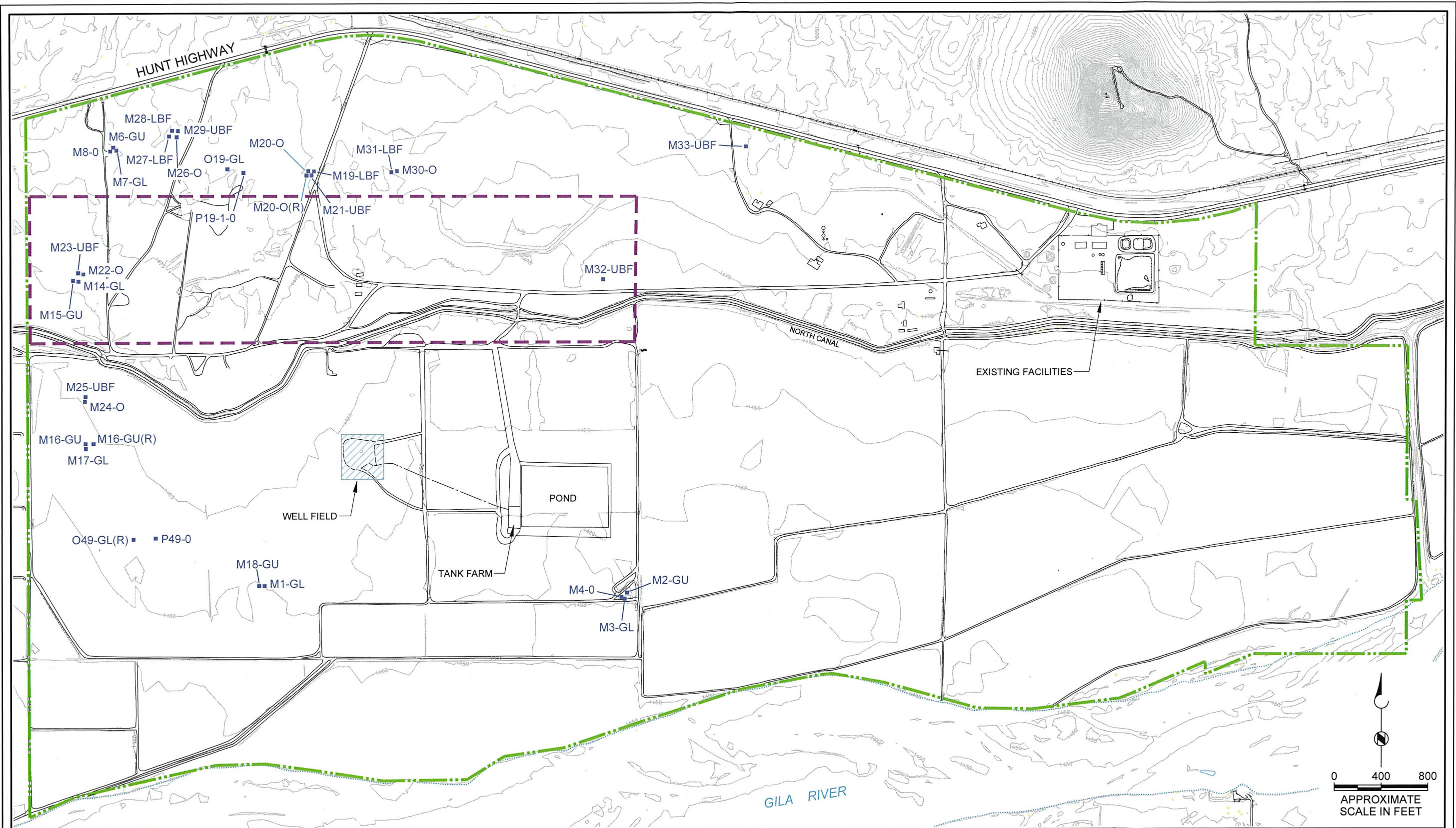
Florence Copper Inc.

A handwritten signature in black ink, appearing to read 'Daniel Johnson', with a stylized flourish at the end.

Daniel Johnson
Vice President / General Manager

BAS:cr





EXPLANATION

- APPROXIMATE PROPERTY BOUNDARY
- STATE LEASE LAND BOUNDARY
- M3-GL POC MONITORING WELL
- WELL FIELD DETAIL, FIGURE 2

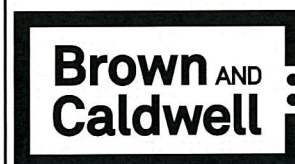


Figure 1
MONITORING AREA
 FLORENCE COPPER PROJECT
 FLORENCE, ARIZONA

ATTACHMENT 1

Map of Operational Status and Groundwater Contours

The PTF operations have not begun and this reporting requirement does not yet apply. This Attachment serves as a placeholder in preparation for future reporting.

ATTACHMENT 2

Table and Graphs of Injected and Extracted Volumes

The PTF operations have not begun and this reporting requirement does not yet apply. This Attachment serves as a placeholder in preparation for future reporting.



ATTACHMENT 3

Table and Graphs of the Well Head Measurements in the PTF

The PTF operations have not begun and this reporting requirement does not yet apply. This Attachment serves as a placeholder in preparation for future reporting.

ATTACHMENT 4

Table and Graphs of Electrical Conductivity Measurements

The PTF operations have not begun and this reporting requirement does not yet apply. This Attachment serves as a placeholder in preparation for future reporting.

ATTACHMENT 5

Table and Graphs of Bulk Electrical Conductivity Measurements

The PTF operations have not begun and this reporting requirement does not yet apply. This Attachment serves as a placeholder in preparation for future reporting.

Table and Graphs of Monitor Well Water Levels and Results

The POC and BADCT monitoring wells are currently undergoing ambient monitoring in order to establish ALs and AQLs and this reporting requirement does not yet apply. This Attachment serves as a placeholder in preparation for future reporting.

ATTACHMENT 7

Results of Monthly Lixiviant Analysis

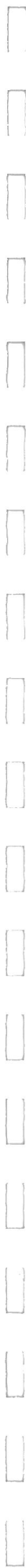
The PTF operations have not begun and this reporting requirement does not yet apply. This Attachment serves as a placeholder in preparation for future reporting.

ATTACHMENT 8

Results of Mechanical Integrity Testing

Attachment 8. Mechanical Integrity Testing

Well Name	Well Depth (ft bgs)	Part I MIT Testing Date	Part I MIT Result	Part II MIT Testing Date	Part II MIT Result
O-01	1201	3/28/2018	Pass	N/A	N/A
O-02	1201	3/25/2018	Pass	N/A	N/A
O-04	1200	3/28/2018	Pass	N/A	N/A
R-01	1205	2/7/2018	Pass	N/A	N/A
R-03	1203	2/8/2018	Pass	N/A	N/A
R-04	1201	3/23/2018	Pass	N/A	N/A
R-05	1201	2/28/2018	Pass	N/A	N/A
R-07	1204	2/2/2018	Pass	N/A	N/A



ATTACHMENT 9

Results of ACD Monitoring

The PTF operations have not begun and this reporting requirement does not yet apply. This Attachment serves as a placeholder in preparation for future reporting.



ATTACHMENT 10

Summary of Plugging and Abandonment Activity

Attachment 10. Well and Corehole Abandonments

Well Name	Well Type	Well Depth (ft bgs)	Date Abandoned
53s	Corehole	1421	1/13/2018
338S	Corehole	330	1/13/2018
337S	Corehole	1368	1/11/2018
325S	Corehole	1093	1/12/2018
162S	Corehole	990	1/28/2018
335S	Corehole	460	1/27/2018
145MF	Corehole	2,170	1/14/2018
460MF	Corehole	474	1/24/2018
461MF	Corehole	385	1/25/2018
135MF	Corehole	2,096	1/26/2018
462MF	Corehole	494	1/26/2018
357S	Corehole	2,280	1/22/2018
414S	Corehole	2,267	1/17/2018
28S	Corehole	2,227	1/15/2018
463MF	Corehole	720	1/30/2018
DM-B	Corehole	637	2/11/2018

ft bgs = feet below ground surface

ATTACHMENT 11

Table of Monthly Casing Annulus and Injection Pressures

The PTF operations have not begun and this reporting requirement does not yet apply. This Attachment serves as a placeholder in preparation for future reporting.